

1 **WO**

2  
3  
4  
5 IN THE UNITED STATES DISTRICT COURT  
6 FOR THE DISTRICT OF ARIZONA

7 Rich Media Club LLC,

No. CV-23-01967-PHX-SPL

8 Plaintiff,

**ORDER**

9 vs.

10 Duration Media LLC,

11 Defendant.  
12  
13

14 Before the Court is Plaintiff Rich Media Club LLC's ("Plaintiff's") November 5,  
15 2024 Status Report Regarding Order Denying Inter Partes Review (Doc. 49); Defendant  
16 Duration Media LLC's ("Defendant's") Motion to Strike that status report (Doc. 50);  
17 Plaintiff's Response (Doc. 51); Defendant's Reply (Doc. 54); Plaintiff's December 10,  
18 2024 Status Report Regarding USPTO Review (Doc. 55); and Defendant's Opposed  
19 Motion to Continue the Stay (Doc. 56). Because the parties have already made clear their  
20 positions regarding Defendant's Motion to Continue the Stay (Doc. 56), the Court finds it  
21 appropriate to rule on that Motion without need for further briefing.

22 **I. BACKGROUND**

23 On October 29, 2024, this Court issued a stay in this case until December 10, 2024,  
24 by which time the parties anticipated that the Patent Trial and Appeal Board ("PTAB")  
25 would issue an order regarding *inter partes* review ("IPR") of the '482 Patent at issue in  
26 this case. (Doc. 48 at 1–2). On November 5, 2024, Plaintiff filed a Status Report, in which  
27 they noted that by the time the Court issued its Order, the PTAB had entered an order  
28 denying IPR for the '482 patent on October 17, 2024. (Doc. 49 at 2). Plaintiff therefore

1 requested the Court lift the stay, but noted that Defendant opposed such request, arguing  
 2 that the case should remain stayed until Director Review of the IPR decision is complete.  
 3 (*Id.* at 2–3). Thereafter, Defendant moved to strike Plaintiff’s Status Report as impertinent  
 4 (Doc. 50), arguing that it was a “disguised motion requesting the Court to prematurely lift  
 5 the stay before the review process for the *inter partes* review for the ‘482 Patent has been  
 6 completed.” (Doc. 50 at 2). Defendant’s Motion to Strike was fully briefed. (Docs. 51, 54).

7 On December 10, 2024, Plaintiff filed an updated Status Report (Doc. 55) in  
 8 accordance with this Court’s Order (Doc. 48), renewing its request for the Court to lift the  
 9 stay on the case. The same day, Defendant filed its Motion to Continue the Stay (Doc. 56),  
 10 again reiterating its argument that the Court should wait for Director Review of the PTAB’s  
 11 denial. (Doc. 56 at 2–3). Defendant noted that it conferred with Plaintiff, who indicated  
 12 that the Motion to Stay (Doc. 56) is opposed. (Doc. 56 at 4).

## 13 II. DISCUSSION

14 Plaintiff argues that the Court should lift the Stay for three primary reasons: (1) the  
 15 stay was issued pending the decision of the PTAB, not pending Director Review, and the  
 16 PTAB has now made its decision; (2) the stay was lifted in the parallel case to this one,  
 17 2:22-cv-02086-JJT; and (3) Director Review is granted in a small minority of cases, so it  
 18 is unlikely that it will be granted here. (Doc. 49 at 3–4; Doc. 55 at 2).

19 As the Court stated in its Order (Doc. 44) granting the parties’ initial Motion to Stay,  
 20 courts typically consider three factors when determining whether to stay a case pending  
 21 *inter partes* review: “(1) whether discovery is complete and whether a trial date has been  
 22 set; (2) whether a stay will simplify the issues in question and trial of the case; and (3)  
 23 whether a stay would unduly prejudice or present a clear tactical disadvantage to the  
 24 nonmoving party.” *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp.  
 25 2d 1028, 1030–31 (C.D. Cal. 2013). “When determining whether to . . . lift an already-  
 26 imposed stay pending IPR, the court considers the same three factors . . . .” *Smart Modular*  
 27 *Techs., Inc. v. Netlist, Inc.*, 2016 WL 5159524, at \*2 (E.D. Cal. Sept. 21, 2016).

28 As to the first factor, the state of the litigation is unchanged since the Court issued

1 its Order (Doc. 44) granting the parties' Motion to Stay. Although the early stage of the  
2 litigation would ordinarily weigh in favor of continuing the stay, this factor is not  
3 dispositive. *See, e.g., Smart Modular Techs.*, 2016 WL 5159524, at \*2 (noting that in light  
4 of "further delay in litigation proceedings, the Court is not convinced that this factor weighs  
5 in favor of lifting the stay"). If the stay is now lifted, the case will advance, and "should a  
6 decision be rendered by the [Director] that affects this case, appropriate adjustments could  
7 then be made." *Id.* at \*3; *see also Oyster Optics, LLC v. Ciena Corp.*, 2019 WL 4729468,  
8 at \*2 (N.D. Cal. Sept. 23, 2019) (concluding that the factor was neutral).

9 As to the second factor, the simplification of the issues, the parties staunchly  
10 disagree about the likelihood that the Director will grant review of the PTAB's denial of  
11 IPR. (Doc. 49 at 4; Doc. 50 at 8). "The purpose of an IPR is, where possible, to shift  
12 disputes about patent validity from the courts to an expert agency and to 'facilitate the  
13 removal of patents that were improvidently granted' . . . Staying a case until the PTAB  
14 issues a final written decision . . . on an IPR is often desirable because of the likelihood  
15 that this 'expert panel' will bring its wisdom to bear on often highly technical and  
16 idiosyncratic issues." *Oyster Optics*, 2019 WL 4729468, at \*3 (citing *In re Cuozzo Speed*  
17 *Techs., LLC*, 793 F.3d 1268, 1285 (Fed. Cir. 2015)). In the instant case, however, the PTAB  
18 has not issued a final written decision, as it has declined to institute an IPR. (Doc. 49-1 at  
19 3). "Regardless of which party has the better argument" on whether the Director is likely  
20 to grant review, find that the PTAB committed material error, and vacate the PTAB's  
21 denial of IPR, it is clear that "the case for simplification is quite different than it was when  
22 [the parties] applied for a stay." *Oyster Optics*, 2019 WL 4729468, at \*3.

23 Plaintiff argues that "[t]he USPTO has only granted Director Review on about 5%  
24 of the decisions when a review has been requested by a party," so it is unlikely that the  
25 PTAB's decision not to institute IPR will change, while Defendant contends that there is  
26 "insufficient historical data for trend analysis," as the review process has recently changed.  
27 (Doc. 49 at 4; Doc. 50 at 8). This Court need not weigh in on the likelihood that review  
28 will be granted; it is sufficiently clear that "the prospect for simplification of patent

1 matters” has “wane[d] greatly” now that the PTAB has issued its decision. *Cf. Oyster*  
2 *Optics*, 2019 WL 4729468, at \*3; *see also Juno Therapeutics, Inc. v. Kite Pharma*, 2018  
3 WL 1470594, at \*7 (C.D. Cal. Mar. 8, 2018). Accordingly, the Court finds that this factor  
4 weighs in favor of lifting the stay.

5 Finally, as to the prejudice factor, Plaintiff argues that it “did not agree to stay this  
6 case through Director Review,” and that “there is no deadline for the Director to respond  
7 [to a request for review]. This case should not be further delayed because Defendant may  
8 choose to request Director Review.” (Doc. 49 at 3–4). Defendant counters that “Plaintiff  
9 can obtain full relief through monetary damages and maintaining the stay poses no ‘clear  
10 tactical disadvantage’ to the Plaintiff.” (Doc. 50 at 9) (quoting *Extremity Med. LLC v.*  
11 *Fusion Orthopedics LLC*, 2023 U.S. Dist. LEXIS 220692, \*5–6 (D. Ariz. Dec. 12, 2023)).  
12 While it is true that Plaintiff has not sought a preliminary injunction in this matter, this  
13 Court does not find that dispositive on the issue of potential prejudice. The fact that “there  
14 is no clearly defined endpoint to a continued stay” overall “weighs in favor of lifting the  
15 stay.” *Oyster Optics*, 2019 WL 4729468, at \*4; *see also Samesurf, Inc. v. Intuit Inc.*, 2024  
16 WL 4439257, at \*3 (S.D. Cal. Oct. 7, 2024) (“Now that time has passed and Plaintiff  
17 opposes continuing the stay, the risk of undue prejudice to Plaintiff is greater. Continuation  
18 of the stay would keep this case at its relatively early stage for a substantial period of  
19 additional time and delay Plaintiff the opportunity to enforce its patent rights.”).

20 Finally, the Court declines to strike Plaintiff’s Status Report (Doc. 49) as  
21 impertinent pursuant to Federal Rule of Civil Procedure (“Rule”) 12(f) and Local Rule  
22 7.2(m). (Doc. 50 at 2). Defendant argues that the Report is impertinent because it is a  
23 “disguised motion” that is “styled as a report.” (*Id.*). Given that the Court explicitly warned  
24 the parties that the case would be dismissed on December 10, 2024, unless “the Court is  
25 advised that the U.S. Patent and Trademark Office has completed its review,” the Court  
26 finds that Plaintiff’s Status Report could hardly be considered “redundant, immaterial,  
27 impertinent, or scandalous” within the meaning of Rule 12(f), as it was directly responsive  
28 to that Order. (Doc. 48 at 4).


1 Accordingly,

2 **IT IS ORDERED** that Defendant's Motion to Strike (Doc. 50) and Motion to  
3 Continue (Doc. 56) are **denied**.

4 **IT IS FURTHER ORDERED** that the stay on this case shall be **lifted**.

5 **IT IS FURTHER ORDERED** that the parties shall meet and confer regarding new  
6 deadlines modifying this Court's Rule 16 Case Management Order (Doc. 24). The parties  
7 shall submit their proposed modified deadlines to this Court no later than **Friday,**  
8 **December 27, 2024.**

9 Dated this 13th day of December, 2024.

10  
11   
12 Honorable Steven P. Logan  
13 United States District Judge  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28